

## Summary

The communiqué from the Agriculture Ministers' meeting is lacking in specifics. It's underpinned by a market-based approach to agriculture, and the powerful agri-business interests of the developed world - free trade not aid will solve the problem. There's some useful language on the problems of the developing world, but the outcome is weak on mechanisms to solve them. The Agriculture Ministers completely duck the most contentious issue – regulation of commodity markets – deferring to finance ministers, and avoid commitments on biofuels or climate change. They commit to future monitoring but fail to monitor progress on L'Aquila.

Their talks focussed on two issues: mutually reinforcing challenges of increasing food production to meet future demand and short-term excessive volatility. They concluded by putting forward to the November G20 heads of government meeting a five point package for food price volatility and agriculture:

- Agricultural production and productivity.
- Market information and transparency
- International policy co-ordination
- Reducing the effects of price volatility for the most vulnerable
- Financial regulation

**Opportunities for the future to press on** - Looking to the future meetings, the areas to press on would be:

- Pressing on the rights-based approach to food security, especially for children – and also awareness raising with developing country partners.
- Smallholders' issues, especially women and young people, especially more secure tenure.
- Risk insurance - mechanisms for more protection for smallholders in developing countries.
- Strengthening the actions on bio-fuels.
- Pressing finance ministers for more effective market controls.
- Achievement of L'Aquila targets.

Future meetings scheduled for Montpellier on 12 and 13 September 2011 (Agricultural Research), G20 seminar on Agricultural Productivity to be held in October 2011. Finance Ministers to meet July, September and October.

### **1. Some useful language on:**

- Rights based approach to access to food - "We reaffirm the right of everyone to have access to safe, sufficient and nutritious food, consistent with the progressive realization of the right to adequate food in the context of national food security."
- Recognition of importance of women and children - "To strengthen global food security, steps must be taken to improve access and availability of safe and nutritious food for the most vulnerable, particularly women and children in developing countries, through for instance national food security programs."
- Importance of small farmers especially women and young farmers. "We commit ourselves to implementing a broad scope of actions to boost agricultural growth. In this whole range of actions, we will give special attention to smallholders, especially women and young farmers, in particular in developing countries."

It also mentions nearly everything that could be on anyone's wishlist, access to markets, food security etc. However, despite mentioning these issues, it does not provide more detailed policy discussion or implementation mechanisms.

## 2. What's not there:

- Regulation of food commodity trading On the key issue that the French presidency had reportedly been keen to see progressed, the agriculture ministers deferred to their finance colleagues and others.
- Recommendations on climate change – there's only a passing reference to "climatic shock".
- Recommendations on bio-fuels.
- Any substantial role for intervention by G20 governments
- Monitoring of l'Aquila targets – only Canada has achieved its targets.
- No investment targets.
- Tenure – especially for women smallholders.

3. **Market approach to food and agriculture** The ministers take a market-based approach to the food price volatility and agriculture. It says, for example, that the key to the problems of price volatility and need to improve agricultural productivity, especially in developing countries is, "increased investments, notably from the private sector, well-functioning markets and means to mitigate and manage risks associated with excessive price volatility of agricultural commodities." And in discussing the risks of price volatility, it concludes that the this "could hamper investments and an effective market response to long-term increase in demand for food and may harm confidence in international markets."

4. Refers to Aquila, and reaffirms commitment. Speaks of "important commitments and actions." But no mention of the failure to achieve investment goals, and no further specific targets.

5. **Point 1 of the package: Agricultural production and productivity** - This talks about "improving diversity and quality of food production to increase supply of nutritious food." It proposes achieving this through increased investment in agriculture, especially private sector investment, and public private partnerships in infrastructural investment

6. **Point 2 of the package – Market information and transparency** – This sets out proposals for the Agriculture Market Information system to encourage major players to share data. It will only involve G20 countries and their invitees, and will be able to withhold commercially sensitive information.

7. **Point 3 of the package - International Policy co-ordination** - They underline role of UN, FAO and CFS. But the main attention is to role of free trade: "We recognize the important role that international trade can play in improving food security ... A stable, predictable, distortion free and transparent system for trade allows the unrestricted flow of food and agricultural commodities, contributing to food security. This requires further cooperation in strengthening international governance of agricultural trade in favour of open, rules-based and well functioning global markets for agricultural products."

Their conclusion is that the Doha Round needs to be completed. This is not either a conclusion that impresses for its originality or sense of urgency.

The proposal to remove tariffs on food bought for humanitarian purposes is to be welcomed, and something for which the WFP had lobbied. It will help feed the hungry, but will not necessarily improve the position of small farmers in developing countries.

They recognise the challenges of bio fuels but make no recommendations – this is one of the big disappointments of the communiqué.

8. **Point 4 of the package - Reducing the effects of price volatility for the most vulnerable –**

The language may be sympathetic, but no concrete proposals are put forward. There are a series of statements about the need for targeted safety nets, reduction of external shocks, more agricultural insurance - and then there's a generalised call for national, regional and multilateral development banks or agencies and organisations" to take things forward.

There are proposals to look at the relationship between biofuel production and food prices, but no further comment on this issue.

There's support for a WFP global humanitarian food reserve – a step forward.

There's some stronger language on risk management with recommendations that some further proposals should come forward by November 2011 to provide more support especially for smallholders, building on the work currently being undertaken by the World Bank.

9. **Point 5 of the package – Financial regulation** - This section renews the commitment to free market drive solutions to price volatility: "We recognize that appropriately regulated and transparent agriculture financial markets are indeed key for well-functioning physical markets. These markets facilitate price discovery and allow for market participants to hedge their exposure to price risks." It stresses the importance of AMIS and defers to the finance ministers for decisions on regulation. The conclusions of the agriculture ministers – which welcome the modest tinkering to existing regulations to provide for greater transparency – falls far short of proposals for controls on speculation in food commodities.

**Reactions:**

1. Oxfam Describes the proposals as "sticking plaster". The hopes raised by having food on the G20 agenda were dashed by the outcomes. It's especially critical of the weak outcome on biofuels, the humanitarian food reserves and lack of proposals for control on speculation in food commodities, and the lack of proposals to deal with climate change or support women farmers.
2. UN Special rapporteur, welcomes the agreement, but says it is disappointing on biofuels, unclear on food purchasing policies for the food reserve, lacking in proposals for instruments to hedge against volatility and misses the point on financial regulation. In conclusion it says it doesn't deal with the cause of the problem.
3. Guardian Development Page – Says the action plan was far weaker than had been hoped – the most important thing about the meeting was that it had taken place. Especially critical of the conclusions on biofuels, lack of controls on speculation, lack of a deal on export

controls, lack of restrictions on powerful agri-businesses, and lack of measures to tackle climate change.

4. Action Aid - Welcomes support for CFS. Critical of lack of concrete support for smallholders, and of market based approach. (In Paris) Samantha Bolton on + 336 23 94 49 12 or +44 (0) 7972428633 [orsamanthabolton@gmail.com](mailto:orsamanthabolton@gmail.com)